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ABSTRACT

In 1986, three neighborhood development organizations in Cleveland, Ohio, created the Westside Industrial Retention Network (WIRE-Net) to retain manufacturing jobs on the city's West Side. In 1989, WIRE-Net launched its Hire Locally program, which was designed to provide local business with candidates judged to be effective workers and help low-income people obtain entry-level operator and laborer jobs in the manufacturing sector. Hire Locally offers the following services to all interested local residents: a 2- or 4-hour orientation workshop covering employability skills, job search techniques, and job retention skills; individual assessment interviews and support services; job matching and referrals; and a 160-hour Basic Skills in Manufacturing course designed by WIRE-Net member companies and Hire Locally staff. Roughly two-thirds of applicants complete the workshops. To date, 39 people have completed the training program. Hire Locally has managed to place a diverse cross-section of residents in manufacturing jobs. Although Hire Locally's success rate in placing applicants in jobs has been estimated at 35%, its actual "success" rate is closer to 76% when participants' self-placements into jobs are counted. WIRE-Net is beginning to work with area high schools and colleges to develop the more advanced training. (MN)

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WIRE-Net's Hire Locally Program

Workforce Development Report to the Field

Family Matters Issue Brief

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WORKING CLOSE TO HOME

WIRE-Net's Hire Locally Program

Workforce Development Report to the Field

Patricia Ma and Tony Proscio

Field Report Series

Public/Private Ventures Philadelphia, Pennsylvania Fall 1998

Acknowledgments

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Working Close To Home

By many of the bleaker statistics, Cleveland's west side is a microcosm of the larger city: The rates of poverty, unemployment and failure to complete high school, for example, are all statistically equivalent to those of the city as a whole—and thus substantially higher than in the surrounding metropolitan area.

In two respects, though, the west side stands strikingly apart from other areas of Cleveland: Its population is predominantly white compared to a 48 percent white population in the city as a whole; and it is home to a large number of small to medium-sized manufacturing businesses, in a city whose manufacturing base has declined steeply and in some areas disappeared over the last 30 years. It is this latter distinction that underlies the story of "Hire Locally," an employment program matching west side residents with industrial jobs that employers would otherwise have searched far and wide to fill.

The eight-year-old program is part of the nonprofit Westside Industrial Retention and Expansion Network, or WIRE-Net. Created by three neighborhood development organizations in 1986, WIRE-Net's first few years were spent building a base of confidence and collaboration with local industry. This began with basic neighborhood improvements like better street lighting, road repaving and graffiti abatement, and gradually expanded to more technical business services.

By the time Hire Locally was launched in 1989, WIRE-Net had become a trusted ally and consultant for many west-side manufacturers and had compiled extensive data on local businesses and their needs. Though the idea for the organization originated with residents' groups, WIRE-Net's customers, in effect, are businesses, and its purpose is to do everything possible to help companies remain in the area, prosper and employ local people.

Community Development and Employment

The three organizations that founded WIRE-Net—Cudell Improvement, Inc., Detroit-Shoreway Community Development Organization, and Stockyard Area Development Association—have roots in Cleveland's long-standing community development movement. Like many community development corporations, they began to take action on employment after establishing a track record in organizing and developing residential neighborhoods. Their decision to form WIRE-Net—in essence entering business retention and employment indirectly by creating an expert intermediary—reflects a lesson that many other CDCs have learned the hard way: Employment programs are not always a natural "fit" with community development programs. They typically need a sturdy organizational infrastructure and wide geographic boundaries to perform effectively. Many CDCs cannot meet those needs and continue to do justice to their core mission.

Successful employment programs require considerable staff, expertise and time devoted to building relationships of trust with employers, learning the specific needs of individual industries and businesses, and developing methods of screening, training and counseling applicants so that placements yield mainly positive experiences for employers and employees alike. These are not assets that most CDCs have, or need to have, in-house. To create an employment program, all of this has to be developed or hired in—a process that is time consuming, expensive and long on risks.

Yet CDCs are also discovering that they cannot ignore employment problems if they want to remain effective and credible in low-income communities. The more successfully they improve housing, public services and commercial real estate, the more their constituents can train attention

on other chronic problems of the community. And most often, employment is at or near the top of the list. Just as important, the neighborhood's real estate, both residential and commercial, will always be in trouble if businesses are closing or moving to other neighborhoods and leaving empty facilities behind them or if residents are having trouble paying their rent. So, by one route or another, CDCs find themselves needing to reinforce local businesses with services that include employment.

In various ways, this process has been part of the story of WIRE-Net's constituent community organizations (which have grown to five with the more recent addition of Westown Community Development and the Bellaire-Puritas Development Corporation). But the creation of WIRE-Net has taken the common story in an uncommon direction. By consolidating their target areas, business services and employment efforts into WIRE-Net, the CDCs have both expanded the pool of available employers and achieved a critical mass of activity that justifies the staff and resources required to perform these services well.

The consolidated community boasts some 600 small or medium-sized manufacturing concerns, amounting to three-quarters of the businesses in the area, an unusual concentration of employers with similar needs. Companies are invited to join WIRE-Net as members, and 180 of them pay an annual membership fee for the organization's services—anywhere from $100 to $1,500 a year, depending on the size of the company and its level of membership. The organization also provides a narrower range of services, including workshops and printed information, to hundreds of non-member firms.

Yet the area also suffers from the high unemployment and low skills and incomes that trouble the rest of Cleveland. Twenty-seven percent of the area's residents are below the poverty line; 44 percent of adults did not finish high school and do not have a GED. According to WIRE-Net, the median household income of unemployed residents is just over $10,000 a year, barely more than one-third of the county-wide median of $28,505 for all residents—the figure arrived at in the last census. Not surprisingly, therefore, employers report that their greatest difficulty in recruitment is finding candidates for higher-skilled jobs in precision crafts and repair, although they find it modestly difficult to recruit suitable laborers, operators and clerical staff as well.

These are, in short, neighborhoods like many others in urban areas throughout the country, with a better-than-average potential for employing lower-skilled workers (because of the concentration of manufacturing jobs), but a serious need for skills training and education, effective screening and referral, and "demand-driven" placement. The combined neighborhoods constitute an area large enough to encompass a sizable slice of the region's industrial job market, yet compact enough to be an identifiable "community" in which many employers see themselves as having a long-term economic stake and a responsibility for leadership and civic participation.

Sectoral Strategy

The result is a rare hybrid strategy for Hire Locally that combines elements of traditional community-based employment programs and those of the newer "sectoral" initiatives that normally are regional in scope. A sectoral strategy, as defined in a 1995 Aspen Institute study,[1] "*targets* a particular occupation within an industry and then *intervenes* by becoming a valued actor within that industry for the primary purpose of assisting low-income people to obtain decent employment, eventually creating systemic change within that occupation's labor market" (emphasis in original). As used in the Aspen Institute paper, "a particular occupation" may include clusters of closely related positions requiring similar skills.

This definition describes Hire Locally quite well. The targeted occupation in this case is entry-level operator and laborer jobs in the manufacturing sector, though the program has placed applicants in other positions at various skill levels both in manufacturing and other businesses. This target is not determined in advance by Hire Locally but is based on the most common matches between employers' needs and the skill level of applicants. It could change if skill levels improved in the applicant pool (for example, through the expansion of training or education programs) since employers say they need more help recruiting for higher-skilled occupations.

The intervention goes well beyond Hire Locally's preparation and referral services for applicants. Its most important characteristic is the ongoing relationship the program has established with its member and non-member firms—getting to know the operation and needs of their businesses, spending time on the shop floor to understand the demands and conditions of particular jobs and plants, and consulting at length with employers about past placements and future needs.

Hire Locally's assistance to low-income people therefore includes not only job placement but also job development, in that the program's close relationship to employers and special knowledge of their needs creates an access route to employment for the area's residents, most of whom qualify as low income. Although Hire Locally does not seek out the lowest-income or most disadvantaged applicants, that is not unusual for sectoral programs, which define their mission according to the needs of employers at least as much as those of applicants—i.e., they serve best those who already have or can readily develop the employer's required skills.

At this stage, the systemic change that Hire Locally has produced has mainly been in the creation of this access route. Local firms have not changed their staffing plans to accommodate the low-income labor supply, nor does the program explicitly seek such changes. But it has opened or widened the channels between these firms and the local labor pool, which some employers did not know how to access. Hire Locally essentially absorbs the painstaking (and for many employers, uneconomical) work of screening applicants, preparing them for application and eventual employment, and resolving subsequent problems.

"Community Based"—In a Sense

Not only has Hire Locally served as an "honest broker" between businesses and unemployed residents, it also seems to have found a middle course between the purely sectoral strategy described above and the more traditional community-based strategies favored by residential groups and very often by government. From a quick scan of the Aspen Institute definition of sectoral initiatives, Hire Locally seems like a fairly typical example. Yet the report also noted that "the typical community-based employment strategy tends to use a narrow geographic lens . . . [whereas] sectoral initiatives apply themselves regionally—because they recognize that most businesses, and thus most labor markets, are regional in character."[7]

In this respect, Hire Locally is not typical—of either sectoral or community-based programs. WIRE-Net's origin as a collaborative of several community organizations makes its geographic base larger than a single city neighborhood. But it is plainly not "regional" either, given that its work and membership are concentrated in one part of Cleveland.

Even so, the WIRE-Net experience does not so much challenge the Aspen Institute definition as confirm it, or perhaps modify it in light of experience. Hire Locally's ability to concentrate on a broad but clearly bounded community derives largely from the area's concentration of manufacturers with similar needs—a critical mass of labor demand that in other cities would more likely be dispersed throughout the wider metropolitan area. A local foundation program officer succinctly described WIRE-Net's target area as "a region within the city." If its coalition of participating community groups expands further, that description will only become more obvious.

In fact, WIRE-Net's focus on a coherent community or band of communities within Cleveland is not just a technicality or an accident of the local economic geography. Much of its appeal to member companies derives from their feeling of a shared stake in the surrounding area—something that a strictly regional effort could not tap as readily. The housing and economic development strategy of WIRE-Net's constituent community groups has made a difference in the physical condition of the area and thus was already of interest and benefit to local manufacturers before the employment program began.

Both the credibility of WIRE-Net and the strengths of the local real estate market grew partly out of the community development work of its founders. And their credibility in turn is enhanced by the addition of a sophisticated employment service to the neighborhood's roster of assets.

This combined appeal—strategic employment targeting and a broad agenda for community improvement—is what makes community-based employment programs politically popular despite their uneven record of success. Policymakers believe, with reason, that communities want and deserve an integrated approach to their intertwined economic problems. One expression of that belief is the durability of neighborhood-based federal initiatives like empowerment zones. But economists respond that neighborhood boundaries are too confining to allow employment programs to work effectively. It is rare for communities to manage a compromise between these two positions, but WIRE-Net appears to have done so.

Would it work elsewhere? That depends on employers' locations and the program's ability to target jobs with the right skill and education requirements for their applicant pool. Making that delicate match often requires a network of employers that will not fit neatly into even broadly drawn community boundaries. In WIRE-Net's case, though, the two agendas are not only compatible, they reinforce one another.

"Work First"

Hire Locally's approach reflects an operating principle that is increasingly regarded as axiomatic in the field: Applicants should be placed in a job, or at least in a daily work regimen, as quickly as possible. This practice of "rapid attachment" to the workforce, less formally known as "work first," presents some real challenges. But it has also shown encouraging results, even in programs heavy on training and education, and where the applicant's development (as distinct from the employer's recruitment needs) is the philosophical core of the service. For a program like Hire Locally, whose mission is driven by the recruitment needs of its business membership and whose emphasis is therefore more on placement than individual development, it is an even more natural part of the programmatic architecture.

In fact, even as WIRE-Net prepares to expand the program more deeply into training and workforce development (an expansion described in more detail later), work first remains central to the program design. In an October 1997 proposal describing this expansion, WIRE-Net outlines an education and training process that would take place primarily after participants were hired into entry-level jobs or while they were working at such jobs within the training environment. This method of rapid attachment is the most common.

How "Hire Locally" Works In Practice

The typical applicant comes to Hire Locally unemployed, although not for as long a time as most unemployed residents of the west side. More than one-third have been unemployed for a month or less, and the median spell of unemployment is just three months for Hire Locally applicants compared to nine months for other residents out of work. Nor is the typical applicant as disadvantaged in the labor market as most other unemployed west siders: Three-quarters of its unemployed applicants have at least a high-school diploma or the equivalent, and one-third have some postsecondary education. In WIRE-Net's general service area, 45 percent of the unemployed have not finished high school, and only 20 percent have education or vocational training beyond high school.

Hire Locally nonetheless draws an applicant pool that clearly needs help and that in some cases is every bit as challenged as the rest of the jobless population of the west side. Twelve percent of its applicants have been unemployed between six and eleven months, and another 15 percent for a year or more. Nearly half its applicants previously made no more than $6 per hour, virtually the same percentage as among other unemployed residents of the area. Even the applicants who already have jobs work less than a full 40-hour week, on average, and most earn less than $7 an hour. And Hire Locally applicants are 30 percent more likely to be minorities than are other jobless residents: 65 percent were non-white compared to just half of the unemployed area-wide.

This applicant profile is consistent with the program's design and in fact represents a deliberate balancing of aims: On one hand, Hire Locally's effectiveness depends on its ability to refer desirable, appropriate applicants to its constituent employers; on the other, its mission includes working with the unemployed and underemployed, especially those who have had a hard time finding and holding a job.

Results thus far suggest that this balance is working. Many employers have come to rely on Hire Locally as a standard means of recruiting employees, often in preference to employment agencies and newspaper ads, and they trust the program to prepare applicants for the interview process, acquaint them with the employer's basic expectations, and follow up after hiring if problems arise. As one employer put it, Hire Locally's "placement personnel are genuinely interested in my business and getting the right person for the job."

Yet even if employers consider the applicants right for the jobs, these are nonetheless applicants who need help. More than 70 percent of the candidates who come to Hire Locally are unemployed, and half of those have been unemployed for three months or more. Even those who were employed at the time they came to Hire Locally had low wages, temporary or part-time jobs, or both. Their median wage was $6.50 an hour, and the average household income was $17,222.

Hire Locally provides job referrals to the majority of applicants (71%) who are motivated enough to complete a two-hour "employability workshop" and a follow-up interview. Still, given that most of the program's job openings are entry-level positions in industrial companies, those with some manufacturing experience are more likely to get referrals than those without such experience or those with higher skill levels seeking higher wages.

Just as employers say they are satisfied with the program's services, so do applicants. In a survey taken as part of this study, applicants rated the availability of benefits and the proximity to home as the most attractive features of Hire Locally's job referrals. They agreed, though less strongly, that the potential job opening paid better than their last job and had opportunities to move ahead.

To assemble a picture of what happens to Hire Locally applicants as they make their way through the program and to gauge their satisfaction with the service, we attempted to reach and interview all 190 people who had applied between March and June 1997. Of these, we were able to contact 113 people, or 59 percent of the total.[3] This sample forms the basis for most of the descriptive data in this section.

Step 1: The Orientation Workshop

Any resident can walk into the WIRE-Net offices and seek help from Hire Locally simply by filling out an application. Most find out about the program informally; about half come in on the suggestion of a friend or neighbor. But WIRE-Net also circulates flyers and newsletters throughout its target area and relies on member CDCs, local churches, and other neighborhood institutions for help in outreach. Almost none of Hire Locally's applicants are referred by government welfare agencies, though some come from community-based social service programs.

Many of those who come to WIRE-Net simply want to check for job openings and get referrals rather than participate in any organized activity. And, in fact, a small number who already have experience, satisfactory work histories and other requirements for known vacancies may be referred for an interview immediately. But nearly all are first directed to either a two-hour workshop, held weekly in the WIRE-Net offices with 20 to 25 participants, or a longer, four-hour version conducted eight times a year at schools and community centers. Forty to forty-five applicants typically attend the latter. In fact, most of those who come to Hire Locally for help do so by showing up at a workshop, typically in response to an ad, flyer or other kind of general announcement.

Both kinds of workshop cover basic employability skills, job-search techniques and factors that help in job retention, such as dealing with conflict and learning from criticism. The longer version also features employer representatives who describe their companies and needs, what is expected of applicants and employees, and whatever specific openings are available at the time.

Of the participants we interviewed, most felt these workshops were beneficial, particularly in helping them prepare for job interviews and fill out job applications. They were less enthusiastic about the training in resume writing. Some typical comments were:

"If you've been out of the workforce for awhile, the workshops give you good tips—things like: send thank-you notes after job interviews, fill out applications legibly, make eye-contact."

"[The workshop] helped a lot. I used to work for a lot of places, but [at the workshop] I learned to fill out the application. I used to leave the amount [you want to earn] blank. But I followed his advice and wrote $8."

Step 2: Individual Assessment Interviews and Support Services

WIRE-Net reports that roughly two-thirds of the applicants complete the workshop and proceed to the second stage, a one-on-one interview with a member of Hire Locally's employment staff. The first objective of the interview is to determine whether the candidate is job-ready or still faces some significant barrier, such as lack of education, training, child care or transportation. Those who face such barriers are referred to a social services manager for help and return when the problem has been addressed.

The support services component was added in the summer of 1997 as a way of helping to clear employment barriers and to overcome problems after participants are placed in jobs. Social services staff help to ensure that applicants deal with essential needs like child care or transportation problems before receiving job referrals. Staff will connect applicants with appropriate resources in the community or otherwise help them think through possible solutions. In the process, though, applicants can also get help applying for public benefit programs, getting food assistance or pursuing a GED, which are not prerequisites for moving on to the job referral stage.

When the most serious problems are addressed, the applicant and employment staff meet again to develop an employability plan and to determine the applicant's skills, interests, aptitudes and accomplishments. This process used to include testing for workplace literacy and math, though staff ultimately found that such testing was not especially helpful in making good placements. A less formal but still in-depth screening process now occurs at this stage to help applicants size up their immediate job prospects and prospective needs for training and education. The main purpose is quality assurance: It avoids wasting the time of the employer and applicant with inappropriate referrals.

Staff members estimate that about 5 percent of applicants have little chance of getting a referral because of a severe lack of skills or basic ability, or because of current or recent substance abuse. Some, though, drop out of the process between the workshop and the end of the interview process because they decide they are not interested in the manufacturing sector or feel that they may fare better on their own.

But, staff members generally believe that the key to most successful placements is motivation. The interview gives Hire Locally staff the opportunity to gauge applicants' motivation firsthand, including their likelihood of remaining on the job if hired and their interest, if any, in further training and advancement. This screening and assessment process actually begins in the workshops, where staff acknowledge that they make preliminary decisions about whom to schedule first for the one-on-one interviews. Applicants who seem "alive" during the workshop, who ask questions and demonstrate enthusiasm are the ones whom staff tend to meet first.

During the one-on-one interview, the staff member reviews the applicant's background, interests and skills, especially those involving machinery. The interviewer tries to determine how much the applicant learned from the workshop, as well as, in the staff's words, whether the applicant has the "personality, drive and honesty" that appeal to employers. One interviewer estimated that 20 percent of workshop attendees are given job referrals immediately after the first screening interview, but the rest typically have to come back at least a second time for further assessment. The interviewer may ask an applicant to do a "special assignment" for the next meeting, such as revising a resume, partly to determine whether the applicant is able to follow through on commitments.

Step 3: Job Matching and Referrals

Hire Locally makes it a point to serve all applicants in some way. Those who do not get job referrals may nonetheless get help preparing a resume or planning a job-search strategy, or may be referred to a union office, a specialized temporary agency or the unemployment office to apply for benefits.

Those who do get referrals are not necessarily the most advantaged of those who apply. A slightly higher percentage of unemployed and non-white applicants received referrals than did those who were employed or white, and the annual household income of those who received referrals was more than $3,000 lower than those who did not. Those who received referrals had previously earned an average of $2 less per hour than those who did not.

On the other hand, those who received job referrals were somewhat more likely to have a high-school diploma or the equivalent than were those who did not (83 percent of the applicants who received a referral had at least a diploma compared to 74 percent of the unreferred). And not surprisingly, the majority of the referred applicants had work and skills experience that better matched the job openings available to Hire Locally. Almost 40 percent had performed manufacturing work and 55 percent had machinery skills. Just 20 percent of those who were not referred had manufacturing experience. More had worked in skilled trades like carpentry and construction, or in general services like maintenance and housekeeping jobs, than had those with referrals.

An Alternative Step 3: Basic Skills Training

More recently, Hire Locally has added a new, still relatively small program of formal training for applicants who would otherwise not be ready for jobs in manufacturing. Applicants are selected for this step, rather than the more common path of direct referrals and job interviews, based on two criteria: They lack a minimum level of experience and skills typically needed for manufacturing work, and they appear able and willing to learn in a classroom setting.

The training program is built around a 160-hour Basic Skills in Manufacturing course designed by WIRE-Net member companies and Hire Locally staff. It consists of 20 hours per week of classroom training at Cuyahoga Community College's Unified Technology Center, and another 20 hours per week of on-the-job training at a WIRE-Net member company. Each student is "sponsored" by the company that provides the on-the-job training. The same company also agrees to consider hiring the student upon successful completion of the course.

Students are selected for this training by a far more exacting process than Hire Locally uses for its normal screening and referral process. Applicants for the Basic Skills in Manufacturing course take formal tests for reading and math skills, aptitude and career interest. They are tested for drug and alcohol use and interviewed by professional staff at four levels: WIRE-Net, the Cleveland Public Schools' Adult Education Division, Cuyahoga Community College and the prospective employer/sponsor. Representatives of these four institutions meet to select the final participants. In the most recent round, 32 applicants were assessed, 20 selected for training and 16 graduated. The three previous courses were all smaller, with only seven or eight graduates each.

The program appears to be working well. As of this writing, 39 people have completed the training, and all were hired by their sponsor companies. Because the participants are typically unready for manufacturing work when they first come to Hire Locally, the program provides them a route to job readiness—with high probability of employment at the end—that would not otherwise have been available. Employers who responded to

our survey were also enthusiastic about the program, particularly its thorough screening process and its responsiveness to their particular requirements.

Step 4: Employment

Hire Locally has managed to place a diverse cross-section of residents in manufacturing jobs, mostly entry-level positions requiring relatively low skills. Of the people we contacted who had applied between March and June 1997, 35 percent found a job through Hire Locally—equivalent to about 160 people annually. (Program management report higher numbers of placements in earlier periods. They note that staff changes during the study period may have reduced performance rates below normal levels.)

Somewhat more applicants (42%) ended up finding work on their own after coming to Hire Locally. Another 14 percent had not found any job in the six months after their application, and 9 percent were still in the same job they held when they first sought help from Hire Locally.

It would therefore be misleading to put Hire Locally's "success rate" at merely 35 percent, at least if the purpose is to compare this rate to that of other employment programs. Hire Locally's service is not all-encompassing or exclusive, and many applicants clearly go there as just one tactic in their job search. It is reasonable to infer that many who find jobs on their own have benefitted from Hire Locally's workshops, individual counseling, resume preparation guidance, and so on. For some, this help no doubt contributed materially to their eventual success.

By that reasoning, Hire Locally's "success rate" ought to include some or all of the self-placements (a practice that many other employment programs follow). Including all of the self-placements would bring the total "successes" to 76 percent—a figure that is almost certainly too high. A fair measure of success therefore lies somewhere between 35 and 76 percent, but a more precise estimate would be speculative.

Given the speed of Hire Locally's placements—successful applicants are hired within an average of two weeks from the time they apply compared to nearly seven weeks for self-placements—it might be reasonable to suspect that those who ultimately succeed with Hire Locally are more often the best prepared, most skilled, or most motivated and that the self-placements tend to be people whom Hire Locally staff find it harder to serve. In fact, Hire Locally staff acknowledge working with the most motivated applicants first. So it is possible that some less-favored applicants eventually find work on their own while still waiting to complete Hire Locally's process.

Nonetheless, there is no clear evidence from the available data that those who find jobs through Hire Locally represent the most easily placed of the applicant pool. The program's placements we tracked were not significantly better educated, younger or economically better off than were those who found jobs on their own. And they were substantially more likely to be minorities. Those who found work on their own were far more often white: 42 percent compared to 26 percent for Hire Locally. In fact, although Hire Locally's service area is more than 80 percent white, most of its placements are people of color: 67 percent of those placed are African American or Hispanic, and 5 percent are from other minority groups.

A nearly equal percentage in both groups had completed high school or earned a GED: 82 percent of the Hire Locally placements and 81 percent of the self-placements. If anything, the self-placements were more likely to have a college education: 36 percent of the self-

placements had been to college (15 percent had graduated) compared to 31 percent of Hire Locally's placements (3 percent were graduates).

The pool of self-placements—48 of the 113 people we interviewed—tended to be younger than Hire Locally's placements and were far more likely to be males. Only 27 percent of those who found their own jobs were women compared to 45 percent of Hire Locally's placements; 67 percent of the self-placements were under age 32 compared to 58 percent of those placed by Hire Locally. Median annual household incomes were slightly higher among Hire Locally's placements—$14,286 compared to $13,438—but the $848 annual difference is probably not significant. In fact, Hire Locally placements had previously earned slightly less than those who placed themselves: $6.36 an hour compared to $6.89. But again, the difference is small. The two groups were also similar in the proportion of people who were in poverty: 38 percent of the self-placements came from households whose annual income was under $10,000 a year; 33 percent of Hire Locally's placements came from this group.

Where the two groups diverge most significantly, and perhaps least surprisingly, is in their amount of factory experience: 36 percent of Hire Locally's placements had previously worked in a factory or machine shop compared to just 22 percent of the self-placements. Experience in factory work obviously raises the odds of success with Hire Locally's specialized employer base—three-quarters of which is in manufacturing. Yet even among those with no significant work experience one way or the other, many evidently concluded that the manufacturing sector was not right for them—often based on what they learned in Hire Locally's workshop and interview process—and therefore ended up exploring other sectors or neighborhoods on their own.

This is confirmed by the jobs into which the two placement methods lead: Just 22 percent of those who handled their own placement found factory or machine-shop work compared to 52 percent of those placed by Hire Locally. Self-placements were significantly more likely to lead to warehouses, restaurants, retail shops or general services. Although Hire Locally placed slightly more people in clerical jobs than got such jobs on their own, many of Hire Locally's clerical jobs were in manufacturing companies.

Most of those who arranged their own placement (53%) received a referral either from a private employment agency or from friends or family. Just over one-third found a job through direct appeal, by either cold calling or answering a newspaper ad. Only 4 percent used government employment programs, and 7 percent made various other arrangements. This suggests that when people found their own jobs they most often had other "connections" on which they could rely.

Wages, Benefits and Job Quality

Jobs obtained through Hire Locally pay more than jobs that applicants previously held or found on their own. And they are more likely to carry health insurance and other benefits. Hire Locally's placements resulted in a 10 percent increase in median wages compared to applicants' previous employment—$7 an hour after placement compared to $6.36 previously. By contrast, those who applied to Hire Locally but found jobs on their own actually ended up with a 7 percent lower median wage—$6.38 per hour compared to their prior $6.88.

Most jobs arranged through Hire Locally had health insurance, sick leave and paid vacation, whereas roughly one-third of applicants' previous jobs had these benefits (barely one-quarter offered sick leave). Applicants to Hire Locally who nonetheless found their own jobs also improved their likelihood of benefits, but

not nearly as much. Of Hire Locally's placements, 68 percent ended up with health insurance, 63 percent with sick leave and 52 percent with paid vacations. By comparison, 51 percent of those who handled their own placement received health insurance, 27 percent sick leave and 51 percent vacation time.

In the Background: Job Development, Credibility and Brokerage

Hire Locally's success in finding jobs with superior wages and benefits, and in doing so quickly, seems to derive from two factors: the generally superior compensation available in Cleveland's manufacturing sector and Hire Locally's (and more generally WIRE-Net's) access to these jobs, derived from the close working relationship that the organization has built with local industry.

The working relationship between WIRE-Net and its surrounding businesses is not merely an asset the program can leverage, it is also a product of that program and the service it renders. In some respects, the benefit that applicants derive from their association with Hire Locally comes less from the services they receive on-site than from the services they do not see—the job development, relationship brokering and problem solving that Hire Locally staff provide employers behind the scenes. That seems to be why some residents come to Hire Locally and find a job without actually taking advantage of the workshop, assessment interviews or other preparatory services.

Seen in this light, Hire Locally's most significant feature seems to be its focus on employers as its main "customers." The point is important not so much philosophically as tactically: Because it is "demand driven," the program builds confidence and establishes a partnership role with these businesses that apparently is matched by few other job brokers. In recent years, more and more jobs programs have begun to view the employer as the customer; Hire Locally has operationalized this policy with unusual success.

That partnership in turn becomes a valuable resource to job applicants—in fact, the more disadvantaged the applicant is, the more valuable is Hire Locally's ability to advocate for that applicant to a trusting employer. Put differently (if somewhat paradoxically), Hire Locally's value to job seekers lies precisely in the fact that it keeps the interests of employers preeminent.

Although we were not able to survey a sufficiently large or random sample of businesses to get their views on this relationship,[4] 40 companies provided written information that nonetheless helps assemble an anecdotal picture of their hiring practices, needs and relation-ship with the program. The typical response came from a medium-sized company of just under 50 employees, nearly all of whom work full time.

Roughly half of the employees in these firms work as operators or laborers, typically on an assembly line or in packing, inventory, precision crafts and repair. Just under one-fifth do higher-skilled work on machinery; another one-fifth are managers, salespeople or professionals; 10 percent are administrative/clerical staff; and about 5 percent are drivers.

Employers' responses suggest that their primary motivation for using Hire Locally is to save time on recruitment and screening in order to "get the right fit, the right type of person" for their general labor positions.[5] They like the fact that Hire Locally is a community organization trying to place local residents who live near their jobs. But most of all, they like the fact that Hire Locally understands their business needs. They attribute this to Hire Locally's practice of sending its staff into the factories, walking the floor and

talking to staff and supervisors, learning about the equipment and special job requirements, and finding out about a typical work day and what it demands.

The overwhelming message of the responses we received was that Hire Locally's approach to employers' needs and circumstances made it an attractive source of job referrals in the employers' minds. Government employment programs are too bureaucratic, the companies say, and newspapers bring in too many random candidates. Even private employment agencies compare poorly to Hire Locally, in the employers' view, because they do not take the trouble to learn as much about the workplace and its specific requirements.

First-hand knowledge of the workplace obviously helps Hire Locally make the best use of its assessment interviews and workshops. But just as important, it apparently makes for a first-rate sales pitch to participating companies. Several employer-respondents made a special note of how the program staff spent substantial time with company managers and wore steel-toed shoes and protective clothing so as to be able to move about the shop floor at some length. The companies' impression (and no doubt the reality) is that Hire Locally is a group of people the employer can relate to and rely on as more than a source of resumes.

Employers also appreciate that Hire Locally is a free service, and, unlike private agencies, it does not "make [its] living from the number of jobs [it] fills," or "try to push an applicant on you just to make [a] commission."

Nonetheless, Hire Locally does speak confidentially to employers about individual applicants, "getting their read" on potential employees and providing an assessment of the applicant when employers are interested. This *ex parte* communication also provides the program an opportunity to put in a good word for applicants whose potential may not be obvious or who may not come across well in an interview.

Still, employers do not appear to be so enamored of Hire Locally that they hire candidates whom they otherwise would not accept. In fact, despite rating the program much better than private employment or temporary agencies, many companies judged the actual candidates themselves only marginally better than those they got from other sources. Asked what they would like to change about Hire Locally's program, most recommended tighter and more consistent screening. However much managers may prefer the program over other methods like newspaper advertising, most still do get most of their employees through newspaper ads or referrals from current employees.

It seems clear that Hire Locally cannot (and in some ways cannot afford to) push too hard for candidates whose background and interview do not satisfy the employer. But a candidate—especially a marginal one—may be more likely to get an interview and careful consideration by coming through Hire Locally than by coming through another route. And Hire Locally seems to have created or reinforced a desire among many employers to give local residents a leg up, at least when all else is equal or nearly so.

Follow-Up and Retention

Of the applicants who came to Hire Locally between March and June 1997 and who were subsequently placed by Hire Locally, almost half were still at the same job six months later. Another 23 percent had moved on to another job, which most often paid more than the job originally obtained through Hire Locally. The new jobs, however, were less likely to be in manufacturing.

About 30 percent of the placements were once more unemployed by the time of our follow-up contact. This group tended to be slightly less educated, older and poorer than those who remained employed. They had lasted an average of 44 days in their Hire Locally job, and most left for reasons other than pay—usually poor health, conflicts with the employer or lack of transportation. It appears that this group had found generally less-desirable jobs to begin with: Two-thirds lacked health benefits, for example, compared to just one-third of the jobs where people had remained employed or gone on to other positions.

While these figures do not present a rate of job retention markedly better than those of other employment programs, the results may yet improve over time. At the time they were interviewed, staff and employers both considered retention services the weakest part of Hire Locally's program. But as this study was under way, Hire Locally for the first time added a social services manager to its staff, responsible for (among other things) intervening when Hire Locally placements have trouble keeping their jobs. Hire Locally has also begun conducting job-retention workshops, open both to those who are employed and those who have lost jobs or are still looking.

Hire Locally employment staff also consider workplace follow-up part of their responsibility. But given that the program started as a way of helping member companies fill vacancies, follow-up had originally been treated as an adjunct of the job developer's daily responsibilities. Within 10 days of a job referral, the Hire Locally job developer responsible for that referral still calls the employer to determine whether the candidate was hired and, if so, to find out how the placement is going. But the new social services manager is now responsible for subsequent follow-ups with the employer at 30, 90, 180 and 360 days.

However, the follow-up process is still evolving. Hire Locally staff feel that they find out about problems between the follow-up dates mainly when an applicant whom they thought they had placed calls them for another referral. The program is now encouraging employers to think of the social services staff as a resource for them when problems arise. And once a problem has been identified, Hire Locally now maintains more frequent contact with the employer until it is resolved.

Recommendations And Next Steps

Hire Locally provides an important service both to businesses and residents in WIRE-Net's constituent neighborhoods. It is circumscribed in scope and impact by its careful targeting of entry-level jobs with manufacturing firms and of residents who are well suited to those jobs. Because of the clarity of mission this targeting provides, and because of the express demand for this service among employers, the specificity of Hire Locally's efforts is a strength of the program.

But it is also a limiting factor—of which WIRE-Net and Hire Locally management are well aware. They are taking steps to broaden the program in one important direction, and with appropriate planning and strategic caution, further broadening is possible and desirable. Specifically, Hire Locally would do well to reach both higher and lower on the spectrum of skill and educational levels. Doing more to fill higher-skilled (and better paying) jobs would respond to a clear demand from both applicants and employers. And bringing the lowest-skilled applicants, especially welfare recipients, up to a point where they might qualify for entry-level positions would make the program more useful to those who receive and administer public benefits.

Looking Higher

In a proposal circulated in late 1997, WIRE-Net outlined an effort to extend Hire Locally's services upward, to target higher-skilled occupations in the machine trades. These are jobs that employers have told WIRE-Net, and confirmed to us, are especially difficult to fill. The vast majority of the employers who responded to our survey say they require applicants for precision crafts and repair positions to have completed at least high school or a technical or trade school, or to have an average of 20 months' general experience—or preferably both. Yet a relatively small percentage of available workers in the WIRE-Net service area have these credentials—just 36 percent of unemployed west-siders have high school diplomas or GEDs, and only 19 percent have any postsecondary education.

One result, according to a Case Western Reserve University study cited by WIRE-Net, is that "manufacturing firms are importing their most educated employees from outside the neighborhood." Yet even recruiting from the suburbs, employers say, does not make these jobs easy to fill. They present a considerably greater challenge than the operator/laborer positions in which Hire Locally currently specializes.

To perform these jobs well requires not only a higher educational level but also a higher level of dedication and concentration. The time it takes to learn the position—combined with the difficulty of screening candidates who obviously do not qualify—makes turnover in these trades especially troublesome for employers. Hire Locally's newly expanded follow-up service would therefore also be an asset in these higher-end jobs.

WIRE-Net's response to this demand is a proposed "Machine Trades Sectoral Initiative," aimed specifically at the skill mismatch between the local population's credentials and employers' higher-end needs. The proposed program would build on the Basic Skills in Manufacturing training already administered by Hire Locally. Like that program, the broader sectoral initiative would be guided by a working group of employers in the machine trades. It would include more aggressive recruitment for suitable candidates, whether or not they currently have the necessary education or experience. At its core would be an integrated system of education and training resources, built mainly from existing programs like the Basic Skills course, technical training programs at Cleveland State University and the Max Hayes Vocational High School, or the new Center for Employment Training program

established last year in Cleveland, but with curriculum adjustments based on employer-identified gaps and unfilled needs.

This system would aim to create a body of "portable credentials" in the machine trades—certifying trainees' preparation and qualification in the various component skills and abilities employers need. The program would thus create a clear nexus between residents' training and employers' articulated requirements: Both sides would be assured that their work is leading to more job placements. Even employers would get training under this plan—for example, in managing diversity in the workplace or in establishing company-based training systems—if they wish.

The system would continue beyond training and employment, with the development of a "skills path"—a continuation of the credentialing plan into the industry's higher promotional levels, such as mill and lathe workers or tool-and-die makers, who earn between $13.50 and $15 an hour. Once placed in such intermediate-skill jobs as drill-press or punch-press operator, employees would have opportunities for further training and certification, both to ensure that they remain valuable assets to the company with prospects for staying and advancing, and to enhance their mobility if they do re-enter the job market.

Aiming Lower

Although the proposed sectoral initiative specifically addresses higher-skilled jobs, its training continuum and recruitment component both try to draw in lower-skilled applicants. WIRE-Net has designed the initiative to include the entry-level positions that it already is filling, but with its current efforts reinforced with a more intensive outreach and an expanded version of the Basic Skills in Manufacturing training model. Outreach would target those earning half the county's median income or less (the countywide median was $28,505 in the 1990 census).

It is difficult to say whether this approach would reach significantly lower on the skills continuum than Hire Locally's current efforts already do. It would, in all likelihood, reach more of the less-skilled people now served by the program. But these tend to be job seekers with slightly more experience and education than would be typical of the most disadvantaged people on public assistance rolls. Reaching those whose confidence and motivation is low, who lack the formative experience of prior work, and who have little by way of social networks and role models will demand categorically different kinds of outreach and training from those that make up WIRE-Net's current activities.

As matters stand, for example, the Basic Skills program includes a rigorous candidate selection process that would probably screen out many of those with the greatest need for job preparation. It would certainly be possible for Hire Locally to go too far or too fast in this direction—that is, to expand or alter its program so radically that it loses the focus and expertise it has so carefully built. The point is not to transform Hire Locally into a welfare employment program, but to test its ability, with marginal adjustments and carefully chosen new tactics, to become a resource for a harder-to-serve population.

The sectoral initiative proposal does, in fact, contain two of the seeds of this kind of expansion: Its proposed partnership with the Center for Employment Training—a program whose national reputation has been made partly on its success with the least-skilled participants—and its tightly woven network of relationships with employers and other providers of employment services on which the proposed initiative would build. In short, rather than attempt to add a new, strategically different program onto its

current operations, Hire Locally could serve as a broker, referral agent and technical assistance source to match the least skilled west-siders to appropriate training programs—linked to and guided by the most likely employers—to suit their needs.

The training continuum envisioned in WIRE-Net's sectoral initiative is completely consistent with this vision. The only thing it lacks—perhaps deliberately—is an explicit orientation to the lowest skilled (by contrast, it directly targets the lowest-income population, which surely overlaps but is not the same). If the organization can be encouraged and funded to move in this direction, the result would at a minimum be a useful learning exercise in how a community-based/sectoral program can serve the hardest to employ. And at best, it might open a significant opportunity for very needy residents, and for the other programs and employers who could help them.

Conclusion

The data gathered in this analysis are neither broad nor deep enough to declare Hire Locally a clear success. Nor was that our mission. But based on extensive interviews with west side residents and Hire Locally participants, supplemented with information from a number of local employers, we believe there is much in Hire Locally that is both encouraging and worth closer examination. Anecdotal information, supported by such data as could be collected in a short time, suggests that Hire Locally provides both employers and job seekers with something rare: A sophisticated understanding of the local manufacturing labor market and the local work force, and the brokerage expertise needed to match them.

Expanding this resource to new populations—provided it can be done without diluting the effectiveness of the current operation—would be an informative experiment and potentially a much needed addition to Cleveland's mix of employment programs and strategies.

Notes

1 *Jobs and the Urban Poor: Privately Initiated Sectoral Strategies* by Peggy Clark and Steven L. Dawson, with Amy J. Kays, Frieda Molina and Rick Surpin. Washington, D.C.: The Aspen Institute, 1995. Definition, page 7.

2 "Jobs and the Urban Poor," pp. 10-11.

3 We first attempted to contact participants using the telephone numbers listed on their application forms. If that method failed, we attempted to get a number through directory assistance and rechecked later, if necessary—at least three times during the follow-up period. If we reached a correct number but the applicant was unavailable, we left a toll-free number for reply. In the end, 35 percent of the applicants proved to be unreachable by any of these means (including 3 percent who had moved from Cleveland and left no forwarding information), and another 5 percent were contacted but refused to be interviewed. Follow-up information on applicants is therefore based on interviews with the remaining 113 participants.

To the extent possible, we attempted to verify that the people in the group we interviewed were not substantially different in age, race, educational attainment or household income from those we could not reach. By those measures, statistical tests found no significant differences between the two groups.

4 As part of this study, we mailed 325 surveys to companies on WIRE-Net's mailing list. But despite attempted follow-up with non-respondents, we received replies from only 40. The great majority (65%) of these replies came from WIRE-Net members, even though only 37 percent of the firms we contacted are members. This unfortunately resulted in a response that is both too small and too atypical of the total market area to justify a statistical analysis of the responses. Many of those who replied, however, provided detailed information, both in writing and in interviews, that gives a helpful sense of the program's employer relations, even if they yield little or no quantitative information.

5 All quotes in this section are from the employers' written responses.

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